



February 5, 2007

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Subject: Letter Stating Los Osos Community Services District Opposition  
To Proposed Modifications in Proposition 50 Grant Allocations

Dear Ms. Billington and Ms. Farahnak,

This letter is to express our District's opposition to the proposed changes in Proposition 50 grant allocations. Our understanding is that Round Two (2) of the implementation Grant funding which was intended to allocate \$220 million to local agencies is being reduced to zero. The District opposes such a change in allocation plans.

The Los Osos Community Services District supported passage of Assembly Bill 2701 (Blakeslee), which was approved unanimously by the State Legislature on combined votes of 111-0, that was subsequently signed by Governor Schwarzenegger, and became law on January 1, 2007.

The County of San Luis Obispo is currently committing discretionary funding of \$2.0 million from the County general fund to work on development of a Wastewater Project ("Project") solution for homeowners of the District within the waste discharge prohibition zone established by the Central Coast Regional Water Quality Control Board.

Eliminating Round Two (2) of Proposition 50 Implementation grants will exclude the County from competing for Proposition 50 grants for Los Osos homeowners, and will impair the ability of the County to address significant affordability aspects of the Project. Concerns over affordability, as demonstrated by homeowner opposition to estimated payments of over \$200/month on the prior Project, have been an obstacle for lead agencies in completing a Project since the inception of the enactment of the prohibition zone.

The County of San Luis Obispo's ranking in the Round One (1) grant application clearly outscored several applications that were allowed to continue and obtain funding. Despite the high ranking, San Luis Obispo County is being excluded from consideration for further funding. These Integrated Regional Water Management (IRWM) ranking criteria and funding decisions do not reflect the IRWM guidelines



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The evaluation from the staff of the Department of Water Resources and the State Water Boards indicate that the IRWM ranking criteria and funding decisions should include San Luis Obispo for consideration. The IRWM ranking criteria and funding decisions do not reflect the IRWM guidelines and will affect the credibility of the overall water resource program by inhibiting goals and objectives for integrating regional water resources.

Our District requests that Round Two (2) of \$220 million Implementation Grant funding be allocated based on a competitive application process as currently established in IRWM guidelines.

Respectfully,

A handwritten signature in black ink that reads "Chuck Cesena". The signature is written in a cursive, flowing style.

Chuck Cesena  
President, Board of Directors  
Los Osos Community Services District

Copy: Senator Abel Maldonado  
Assemblyman Sam Blakeslee  
San Luis Obispo County Board of Supervisors  
Roger Briggs, Executive Officer, CCRWQCB  
Matt Thompson, Assistant Executive Officer, CCRWQCB  
Harvey Packard, CCRWQCB  
Lester Snow, Director, DWR  
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